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TAGS: ENRG, KS, US

SUBJECT: WASHINGTON VISIT OF ENERGY MINISTER CHANG,
YIE-JOON

SUMMARY: THE APRIL 25-27 WASHINGTON VISIT OF KOREAN
ENERGY MINISTER CHANG, YIE-JOON WAS A SUCCESS FROM BOTH THE
US AND KOREAN POINTS OF VIEW. DURING HIS CALLS ON A
VARIETY OF US OFFICIALS, INCLUDING COMMERCE SECRETARY
KREPS, ENERGY SECRETARY SCHLESINGER AND UNDER SECRETARY
OF STATE COOPER, THE US SIDE STRESSED OUR WILLINGNESS TO
COOPERATE ACTIVELY IN KOREAN NUCLEAR POWER DEVELOPMENT.
CHANG IN TURN DESCRIBED KOREA'S POWER DEVELOPMENT PLANS
AND NOTED SPECIFIC WAYS IN WHICH THE USG CAN HELP. A STATE
DEPARTMENT PRESS RELEASE WAS MADE AT THE CONCLUSION
OF THE VISIT. END SUMMARY.

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AS EXPECTED, THE FOCUS OF CHANG'S TRIP WAS ON
NUCLEAR POWER.

A. HE POINTED OUT THAT ACCORDING TO KECO
CALCULATION DELAYS IN THE COMPLETION OF ARRANGEMENTS FOR
PLANTS V AND VI TO BE PURCHASED FROM WESTINGHOUSE COST
200,000 DOLLARS PER DAY. ACCORDINGLY HE SOUGHT EXPEDITIOUS

HANDLING OF EX-IM ARRANGEMENTS AND OF EXPORT LICENSE APPLICATIONS. CHANG WAS INFORMED THAT FOLLOWING EX-IM BOARD FORMAL APPROVAL OF THE KECO LOAN ON APRIL 27, THE LOAN PROPOSAL WOULD BE PUT BEFORE THE CONGRESS ON MAY 1. WE ALSO INDICATED THAT THE EXPORT LICENSE APPLICATION WILL BE HANDLED AS EXPEDITIOUSLY AS POSSIBLE.

B. CHANG NOTED THAT WHILE QUESTIONS RELATING TO THE US-KOREA NUCLEAR FUEL SUPPLY AGREEMENT ARE UNDER THE JURISDICTION OF MOST, HE IS RESPONSIBLE FOR SEEING TO IT THAT SUFFICIENT POWER IS AVAILABLE TO KOREAN INDUSTRY. DEPENDING ON THE SUCCESSFUL BIDDER, IT IS CONCEIVABLE THAT AWARDS FOR PLANTS VII AND VIII LATER THIS YEAR WILL PUT THE ROK OVER THE 5,000 MW ENRICHMENT CEILING IN THE CURRENT AGREEMENT. IN ORDER TO ALLOW MOE TO PROCEED WITH VII AND VIII, CHANG WONDERED WHETHER IT WOULD BE POSSIBLE TO ALLOW A "FLEXIBILITY" OF 10 PERCENT IN THE CEILING. WE WERE NONCOMMITTAL ON THIS POSSIBILITY. HE WAS ALSO ASSURED, HOWEVER, THAT WE FULLY INTEND TO PROCEED WITH RENEGOTIATION OF THE NEW AGREEMENT AND CEILING ASAP, AND THAT WE FORESEE NO DIFFICULTIES.

C. CHANG ASKED THAT THE REQUIRED EXPORT LICENSES FOR PLANTS V AND VI BE HANDLED EXPEDITIOUSLY. HE WAS ASSURED THAT THIS WILL BE DONE.

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C. CHANG RECEIVED A DETAILED BRIEFING AT DOE ON US NUCLEAR ENERGY PLANS WHICH PROVIDED A CLEAR SIGNAL THAT DESPITE SOME RECENT UNCERTAINTIES WE EXPECT TO REMAIN IN THE NUCLEAR POWER BUSINESS IN A MAJOR WAY. HE RECEIVED THE SAME MESSAGE AT THE DEPARTMENT OF COMMERCE, WHICH EMPHASIZED THE INTEREST OF U.S. SUPPLIERS IN THE KOREAN MARKET.

2. OTHER TOPICS DISCUSSED INCLUDED:

A. IEA - CHANG ASKED ABOUT THE POSSIBILITY OF SOME KIND OF KOREAN ASSOCIATION WITH IEA. HE WAS GIVEN NO ENCOURAGEMENT, BUT WE AGREED TO LOOK INTO THE MATTER AND REPORT BACK.

B. KAERI FUEL - THE DEPARTMENT AGREED TO MOVE ON THIS QUESTION AS QUICKLY AS POSSIBLE.

C. OFFSHORE EXPLORATION - WHEN CHANG WAS ASKED FOR A REPORT ON THE OFFSHORE EXPLORATION POSSIBILITIES IN KOREA, HE EXPRESSED GREAT IMPATIENCE WITH FAILURE OF JAPANESE DIET TO ACT ON IMPLEMENTING LEGISLATION FOR THE

CONTINENTAL SHELF EXPLOITATION AGREEMENT. THE US SIDE

DID NOT RESPOND SUBSTANTIVELY.

D. SOLAR ENERGY - CHANG RECEIVED A DETAILED BRIEFING ON US SOLAR ENERGY PROGRAMS. HE RAISED THE POSSIBILITY OF A US-KOREA SOLAR HEATING DEMONSTRATION JOINT VENTURE IN WHICH KOREA WOULD SUPPLY THE SITE AND BUILDING AND THE US WOULD SUPPLY THE TECHNOLOGY AND EQUIPMENT.

3. THE FOLLOWING PRESS RELEASE WAS ISSUED AT THE DEPARTMENT OF STATE APRIL 27.

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BEGIN TEXT

KOREAN MINISTER OF ENERGY AND RESOURCES CHANG YIE-JOON CONCLUDED A THREE-DAY OFFICIAL VISIT TO WASHINGTON APRIL 27. DURING HIS VISIT MINISTER CHANG MET WITH SECRETARY OF ENERGY SCHLESINGER, SECRETARY OF COMMERCE KREPS, UNDER SECRETARY OF STATE RICHARD COOPER, AND EXPORT-IMPORT BANK VICE CHAIRMAN ALLEN.

THESE DISCUSSIONS REVIEWED THE BROAD RANGE OF ENERGY ISSUES CONFRONTING BOTH THE REPUBLIC OF KOREA AND THE UNITED STATES AND CONSIDERED WAYS IN WHICH THE TWO COUNTRIES COULD INTENSIFY THEIR COOPERATION FOR DEALING WITH THESE ISSUES.

MINISTER CHANG OUTLINED KOREA'S ENERGY DEVELOPMENT PLAN, WHICH ENVISIONS A STRONG ROLE FOR NUCLEAR POWER. THE US SIDE, IN TURN, REITERATED ITS LONG-STANDING POLICY, AS

SUMMARIZED IN THE RECENTLY ENACTED NUCLEAR NON-PROLIFERATION ACT, TO TAKE THE NECESSARY ACTIONS TO CONFIRM ITS RELIABILITY AS A SUPPLIER OF NUCLEAR POWER REACTORS AND FUEL TO NATIONS WHICH ADHERE TO EFFECTIVE NON-PROLIFERATION POLICIES. IN THIS CONNECTION, KOREA'S ADHERENCE TO THE NUCLEAR NON-PROLIFERATION TREATY (NPT) WAS NOTED. THE US ALSO POINTED OUT THAT THE NUCLEAR NON-PROLIFERATION ACT PROVIDES MEASURES TO FACILITATE THE PROCESSING OF NUCLEAR EXPORT LICENSE APPLICATIONS.

THE TWO SIDES RECOGNIZED THE IMPORTANCE OF INTERNATIONAL COOPERATION IN ADDRESSING THE ENERGY PROBLEMS OF TODAY AND AGREED THAT KOREA AND THE UNITED STATES SHOULD CONTINUE TO SEEK NEW WAYS IN WHICH THEY COULD
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COOPERATE IN BOTH NUCLEAR AND NON-NUCLEAR AREAS.
THEY WELCOMED THE OPPORTUNITY PRESENTED BY THEIR MEETING
TO PROMOTE THE PROCESS OF STRENGTHENING THE RELATIONSHIP
BETWEEN THE ENRGY PROGRAMS OF KOREA AND THE UNITED
STATES. END TEXT. VANCE

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